

**EXHIBIT A**

**Motors Liquidation Company GUC Trust**  
**STATEMENT OF NET ASSETS IN LIQUIDATION (LIQUIDATION BASIS)**  
**JUNE 30, 2011**  
**Unaudited**  
**(Dollars in thousands)**

**ASSETS**

Cash and Cash Equivalents	\$ 226
Cash Due from Motors Liquidation Company	4,756
Investments	50,908
Securities Due From Motors Liquidation Company	2,362,626
Other Assets & Deposits	<u>1,927</u>
<b>TOTAL ASSETS</b>	<b>\$ 2,420,443</b>

**LIABILITIES**

Accounts Payable & Other Liabilities	\$ 9,246
Liquidating Distributions Payable	216,682
Reserves for Expected Costs of Liquidation	<u>48,542</u>
<b>TOTAL LIABILITIES</b>	<b>\$ 274,470</b>

<b>NET ASSETS IN LIQUIDATION</b>	<b><u>\$ 2,145,973</u></b>
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**See accompanying footnotes to the financial statements**

**Motors Liquidation Company GUC Trust**  
**STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION (LIQUIDATION BASIS)**  
**FOR THE QUARTER ENDED JUNE 30, 2011**  
Unaudited  
(Dollars in thousands)

<b>Net Assets in Liquidation, beginning of period</b>	\$ -
Transfer of interest in securities due from Motors Liquidation Company	9,254,045
Adjustment of reserves for costs of liquidation	(5,657)
Liquidating distributions of securities	(7,971,136)
Net change in fair value of securities due from Motors Liquidation Company	868,692
Net income - Interest income	29
<b>Net Assets in Liquidation, end of period</b>	<b>\$ 2,145,973</b>

**See accompanying footnotes to the financial statements**

**Motors Liquidation Company GUC Trust**  
**STATEMENT OF CASH FLOWS (LIQUIDATION BASIS)**  
**FOR THE QUARTER ENDED JUNE 30, 2011**  
**Unaudited**  
(Dollars in thousands)

**Cash flows from (used in) operating activities**

Cash receipts from interest	\$ 26
Cash paid for professional fees, governance costs and other administrative costs	<u>(1,618)</u>
Net cash flows from operating activities	<u>(1,593)</u>

**Cash flows from (used in) investing activities**

Cash used to purchase investments	(137,108)
Cash from investment of maturities and sales of investments	<u>86,192</u>
Net cash flows from investing activities	<u>(50,916)</u>

**Cash flows from (used in) financing activities**

Cash transfer from Motors Liquidation Company to fund expected costs of liquidation	<u>52,734</u>
Net cash flows from financing activities	52,734

Net increase in cash and cash equivalents 226

Cash and cash equivalents, beginning of period -

Cash and cash equivalents, end of period \$ 226

**Reconciliation of Net Income to Net Cash Used By Operating Activities:**

Operating Activities:

Net Income \$ 29

Adjustments to reconcile net income to net cash provided by operations:

Change in assets and liabilities	(890)
Other assets & deposits	8,216
Accounts payable & other liabilities	(9,849)
Reserves for expected costs of liquidation	901
Cash due from Motors Liquidation Company	<u><u>\$ (1,593)</u></u>
<b>Net cash flows from operating activities</b>	<b><u><u>\$ (1,593)</u></u></b>

**See accompanying footnotes to the financial statements**

**Motors Liquidation Company GUC Trust**  
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## **1. Purpose of Trust and Plan of Liquidation**

### ***Purpose of Trust***

The Motors Liquidation Company GUC Trust (“GUC Trust”) is a successor to Motors Liquidation Company (formerly known as General Motors Corp.) (“MLC”) within the meaning of Section 1145 of the United States Bankruptcy Code (“Bankruptcy Code”). The GUC Trust holds, administers and directs the distribution of certain assets pursuant to the terms and conditions of the Motors Liquidation Company GUC Trust Agreement (the “GUC Trust Agreement”), dated as of March 30, 2011, and pursuant to the Second Amended Joint Chapter 11 Plan (the “Plan”), dated March 18, 2011, of MLC and its debtor affiliates (collectively, along with MLC, the “Debtors”), for the benefit of holders of allowed general unsecured claims against the Debtors (“Allowed General Unsecured Claims”).

The GUC Trust was formed on March 30, 2011, as a statutory trust under the Delaware Statutory Trust Act, for the purpose of resolving all disputed outstanding general unsecured claims against the Debtors (including determining what amount, if any, of each such claim will be allowed) and distributing the GUC Trust’s distributable assets. The Plan generally provides for the distribution of certain shares of common stock (“New GM Common Stock”) of the new General Motors Corp. (“New GM”) and certain warrants for purchase of shares of such stock (the “New GM Warrants”, and together with the “New GM Common Stock”, the “New GM Securities”) to holders of Allowed General Unsecured Claims *pro rata* by the amount of such Allowed Claim. In addition, each holder of an Allowed General Unsecured Claim will retain a contingent right to receive, on a *pro rata* basis, additional shares of New GM Common Stock and New GM Warrants (if and to the extent such New GM Common Stock and New GM Warrants are not required for the satisfaction of previously disputed general unsecured claims) and cash, if any, remaining at the dissolution of the GUC Trust.

The GUC Trust is administered by Wilmington Trust Company, solely in its capacity as the trust administrator and trustee (the “GUC Trust Administrator”). Among other rights and duties, the GUC Trust Administrator has the power and authority to hold, manage, sell, invest and distribute the assets comprising the GUC Trust corpus, consult with and retain professionals for the administration of the GUC Trust, prosecute and resolve objections to disputed general unsecured claims, take all necessary actions to administer the wind-down of the affairs of the Debtors upon their dissolution, and upon such dissolution resolve and satisfy, to the extent allowed, the Residual Wind-Down Claims (as defined below). The activities of the GUC Trust Administrator are overseen by FTI Consulting, Inc., solely in its capacity as monitor (the “GUC Trust Monitor”).

### ***Plan of Liquidation***

On March 31, 2011, the date the Plan became effective (the “Effective Date”), there were approximately \$29,771 million in Allowed General Unsecured Claims (the “Initial Allowed General Unsecured Claims”). In addition, as of the Effective Date, there were approximately \$8,154 million disputed general unsecured claims which represents liquidated disputed claims

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and a Bankruptcy Court ordered reserve for unliquidated disputed claims (“Disputed General Unsecured Claims”), but does not reflect potential Avoidance Action General Unsecured Claims (as defined below). The total aggregate amount of general unsecured claims, both allowed and then disputed, asserted against the Debtors, inclusive of the potential Avoidance Action General Unsecured Claims (as defined below), was approximately \$39,425 million as of the Effective Date.

Pursuant to the GUC Trust Agreement, holders of Disputed General Unsecured Claims become entitled to receive a distribution of New GM Securities from the GUC Trust if, and to the extent that, such Disputed General Unsecured Claims become Allowed General Unsecured Claims. The GUC Trust Agreement provides the GUC Trust Administrator with the authority to file objections to such Disputed General Unsecured Claims within 180 days of the Effective Date (which date may be extended by application to the Bankruptcy Court). Such claims may be prosecuted through alternative dispute resolution proceedings, including mediation and arbitration (“ADR Proceedings”), if appropriate. The GUC Trust Administrator and its professionals are currently prosecuting multiple objections to Disputed General Unsecured Claims.

To the extent that all or a portion of a Disputed General Unsecured Claim is deemed invalid – or “disallowed” – by order of the Bankruptcy Court, by order of the tribunal presiding over the ADR Proceeding (if applicable), or by settlement with the GUC Trust, such portion of the Disputed General Unsecured Claim that is disallowed is not entitled to a distribution from the GUC Trust (subject to any appeal rights of the claimant). However, to the extent that a Disputed General Unsecured Claim is fully resolved, and such resolution results in all or a portion of the original Disputed General Unsecured Claim being deemed valid – or “allowed” – by order of the Bankruptcy Court, by order of the tribunal presiding over the ADR Proceeding (if applicable), or by settlement with the GUC Trust, such portion of the Disputed General Unsecured Claim that is allowed will be considered an Allowed General Unsecured Claim and will be entitled to a distribution from the GUC Trust as if it were an Allowed General Unsecured Claim on the Effective Date (such claimants, holders of “Resolved Disputed Claims”).

In addition to the Allowed General Unsecured Claims (including Resolved Disputed Claims) and the Disputed General Unsecured Claims, there may be additional general unsecured claims against the Debtors, in a currently unknown amount, which may potentially arise in the event that the Debtors (or an alternative designated plaintiff) commence and are successful in prosecuting legal actions arising under the Bankruptcy Code to compel certain recipients of transfers from the Debtors to disgorge the value of such disputed transfers (such actions, “Avoidance Actions”), and in recovering the proceeds of such legal actions.

Only one Avoidance Action, Official Committee of Unsecured Creditors of Motors Liquidation Co. v. JPMorgan Chase Bank, N.A. et al., Adv. Pro. No. 09-00504 (Bankr. S.D.N.Y. July 31, 2009) (the “Term Loan Avoidance Action”), has been commenced. The Term Loan Avoidance Action was commenced by the Official Committee of Unsecured Creditors of Motors Liquidation Company (the “Committee”), and seeks the return of approximately \$1.5 billion that

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had been transferred by the Debtors (with funds advanced after the commencement of the Debtors' Chapter 11 cases by the United States Treasury and Export Development Canada (together, the "DIP Lenders") to a consortium of prepetition lenders pursuant to the terms of the order of the Bankruptcy Court. To the extent that the Committee is successful in obtaining a judgment against the defendant(s) therein, general unsecured claims will arise in the amount of any transfers actually avoided (that is, disgorged) pursuant to the Term Loan Avoidance Action (such general unsecured claims "Avoidance Action General Unsecured Claims," and together with Resolved Disputed Claims, the "Resolved Allowed Claims").

It is not clear, however, whether any amounts actually avoided pursuant to the Term Loan Avoidance Action would flow into the GUC Trust. On June 6, 2011, the Committee commenced a separate adversary complaint seeking a declaratory judgment that (a) the DIP Lenders are not entitled to any proceeds of the Term Loan Avoidance Action and have no interests in the trust established for the action under the Plan (the "Avoidance Action Trust"), and (b) the holders of Allowed General Unsecured Claims have the exclusive right to receive any and all proceeds of the Term Loan Avoidance Action, and are the exclusive beneficiaries of the Avoidance Action Trust. This proceeding is still pending.

***GUC Trust Distributable Assets***

Pursuant to the terms of the Plan, the Bankruptcy Court authorized the distribution of 150 million shares of New GM Common Stock issued by New GM, warrants to acquire 136,363,635 newly issued shares of New GM Stock with an exercise price set at \$10.00 per share ("New GM Series A Warrants"), and warrants to acquire 136,363,635 newly issued shares of New GM Stock with an exercise price set at \$18.33 per share ("New GM Series B Warrants"). In addition, the agreement governing the sale of substantially all of the assets of the Debtors provides that in the event that the aggregate Allowed General Unsecured Claims against the Debtors exceed \$35 billion, New GM will be required to issue up to 2.0 million additional shares of New GM Common Stock for the benefit of the GUC Trust's beneficiaries (the "Additional Shares"). No Additional Shares have been issued as of August 1, 2011.

***Funding for GUC Trust Costs of Liquidation***

The GUC Trust has and will have certain costs to liquidate the Trust and execute the Plan. On or about the Effective Date, pursuant to the Plan, MLC contributed approximately \$52.7 million to the GUC Trust to be held and maintained by the GUC Trust Administrator (as the "GUC Trust Administrative Fund") for the purpose of paying certain expenses incurred by the GUC Trust Administrator (including fees and expenses for professionals retained by it) ("Wind-Down Costs"). Cash or investments from the GUC Trust Administrative Fund, if any, which remain at the termination of the GUC Trust must be returned to the DIP Lenders.

In addition, as permitted by the GUC Trust Agreement, the GUC Trust requested the sale of 87,182 shares of New GM Common Stock and 79,256 warrants of each series of New GM Warrants by MLC in order to provide additional funds for the payment of expenses related to

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certain regulatory reporting requirements and actions provided for by the GUC Trust Agreement (“Reporting Costs”), including those directly or indirectly relating to reports to be filed by the GUC Trust with the Securities and Exchange Commission (the “SEC”) or otherwise pursuant to applicable rules, regulations and interpretations of the SEC, the application to the Internal Revenue service for a private letter ruling regarding the tax treatment of the GUC Trust and the holders of Allowed General Unsecured Claims in respect to the distribution of New GM Securities, and the Term Loan Avoidance Action. The sale resulted in cash proceeds of approximately \$5.7 million (“Other GUC Administrative Cash”). These funds are maintained at MLC. Cash or investments held to fund Reporting Costs, if any, which remain at the termination of the GUC Trust will be distributed to holders of Allowed General Unsecured Claims.

***MLC Wind-Down***

Upon the dissolution of the Debtors, which is required to occur no later than December 15, 2011, the GUC Trust will be responsible for resolving and satisfying (to the extent allowed) all remaining disputed administrative expenses, priority tax claims, priority non-tax claims and secured claims (the “Residual Wind-Down Claims”). On the date of dissolution of the Debtors, the Debtors shall transfer to the GUC Trust cash in an amount necessary to satisfy the ultimate allowed amount of such Residual Wind-Down Claims, as estimated by the Debtors (the “Residual Wind-Down Cash”).

Expenses, liabilities, or obligations, to the extent related to or incurred in connection with the resolution or satisfaction of the Residual Wind-Down Claims or otherwise related to the Residual Wind- Down Cash, to the extent incurred by the GUC Trust, are required to be satisfied (i) first from the Residual Wind-Down Cash (ii) second from the applicable portion of the Other GUC Trust Administrative Cash (as defined above), and (iii) third from a sale of New GM Securities which would otherwise be available for distribution by the GUC Trust to the GUC Trust’s beneficiaries. The GUC Trust is required to distribute excess Residual Wind-Down Cash, not necessary to pay the remaining Residual Wind-Down Claims to the DIP Lenders and is not permitted to retain such cash for distribution to the GUC Trust’s beneficiaries.

**2. Basis of Presentation and Significant Accounting Policies**

***Liquidation Basis of Accounting***

The GUC Trust was created for the purposes described above in Note 1 and has a finite life. As a result, the GUC Trust has prepared the accompanying financial statements on the liquidation basis of accounting in accordance with accounting principles generally accepted in the United States. Under the liquidation basis of accounting, assets are stated at their estimated net realizable value, which is the non-discounted amount of cash or its equivalent, into which an asset is expected to be converted in the due course of business less direct costs, while liabilities are reported at their estimated settlement amount, which is the non-discounted amount of cash, or its equivalent, expected to be paid to liquidate an obligation in the due course of business, including direct costs. Additionally, under the liquidation basis of accounting, a reserve has been

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established for estimated costs expected to be incurred during the liquidation (exclusive of interest expense). These estimates are periodically reviewed and adjusted as appropriate.

The valuation of assets at net realizable value and liabilities at anticipated settlement amount represent estimates, based on present facts and circumstances, and are subject to change.

***Fiscal Year***

The GUC Trust's fiscal year begins on April 1 and ends on the following March 31. The Trust's first quarter in the fiscal year is from April 1 to June 30. As the GUC Trust was created on March 30, 2011 and the Effective Date of the Plan was March 31, 2011, for financial reporting purposes the GUC Trust is assumed to have been established as of April 1, 2011 and received its initial funding on or about April 1, 2011 which is the beginning of the current period presented in the accompanying financial statements.

***Cash and Cash Equivalents***

Cash and cash equivalents at June 30, 2011 consist of amounts held in a money market fund.

***Cash Due From MLC***

Cash due from MLC consists of the GUC Trust's interest in a segregated cash account held by MLC which contains funds from the sale of New GM Securities to fund regulatory reporting costs.

***Securities Due From MLC***

Securities due from MLC represents the GUC Trust's interest in New GM Securities held by MLC for future distribution in respect of Allowed General Unsecured Claims. The securities held by MLC consist of New GM Common Stock and New GM Warrants as further described in Note 1 and Note 5. The GUC Trust has valued its interest in the securities due from MLC at their fair value based on quoted market prices.

***Investments in Marketable Securities***

Investments in marketable securities consist of investments in corporate and state and local government bond obligations. The GUC Trust has valued these securities at fair value based on quoted market prices or quoted prices for similar securities in active markets.

***Other Assets***

Other assets consist principally of prepaid insurance and retainers for professionals.

***Reserves for Estimated Costs of Liquidation***

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Under the liquidation basis of accounting, the GUC Trust is required to estimate and accrue the costs associated with executing the Plan and distributing its assets. These costs, described as Wind-Down Costs and Reporting Costs in Note 1, consist principally of professional fees, costs of governance, and other administrative expenses. These amounts may vary significantly due to, among other things, the time required to complete the Plan. The GUC Trust has recognized reserves for expected liquidation costs that represent estimated costs to be incurred over the remaining liquidation period. As the GUC Trust incurs such costs, the reserves are released to offset the costs incurred and a liability to the service provider is recognized as an accounts payable or accrued expense until paid.

***Accounts Payable & Other Liabilities***

Accounts payable and other liabilities represent amounts due to professionals, service providers, and vendors for services rendered or goods received through the end of the period.

***Income Taxes***

The GUC Trust is considered a Disputed Ownership Fund pursuant to Treasury Regulation Section 1.468B-9. Because all of the assets that have or will be transferred to the GUC Trust are passive investments, the GUC Trust will be taxed as a Qualified Settlement Fund (“QSF”) pursuant to Treasury Regulation Section 1.468-9(c)(1)(ii).

In general, a QSF pays Federal income tax using the C corporation income tax rates on its modified gross income. Modified gross income includes gross income pursuant to Internal Revenue Code Section 61 less administrative expenses, certain losses from the sale, exchange or worthlessness of property, and net operating losses. In general, a Disputed Ownership Fund taxed as a QSF does not recognize gross income on assets transferred to it; therefore, the GUC Trust will not recognize gross income on the transfer of assets from Motors Liquidation Company. The GUC Trust is expected to generate gross income in the form of interest income and possibly gains and/or losses on the ownership of New GM Common Stock and New GM Warrants, which will be reduced by administrative expenses and any accumulated net operating losses, to compute modified gross income.

The QSF tax status of the GUC Trust has been approved by the Internal Revenue Service in a private letter ruling issued on March 2, 2011.

As the GUC Trust is taxable for Federal income tax purposes a current income tax liability is recognized for estimated taxes payable or refundable on tax returns for the year. Deferred tax liabilities are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting. The deferred tax assets are periodically reviewed for recoverability and valuation allowances are provided as necessary.

The GUC Trust may also be subject to state income taxes. State deferred tax liabilities and assets are recorded consistent with the treatment for Federal income tax purposes.

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The GUC Trust has a net operating loss for income tax purposes for the quarter ended June 30, 2011. However, a valuation allowance has been recorded for the related deferred tax asset as the Trust does not believe the tax benefit of the net operating loss is likely to be realizable.

***Use of Estimates***

The preparation of financial statements on a liquidation basis in conformity with accounting principles generally accepted in the United States requires the use of estimates and assumptions that affect reported amounts of assets and liabilities. These estimates are subject to known and unknown risks, uncertainties and other factors that could materially impact the amounts reported and disclosed in the financial statements and related footnotes. Significant estimates include the anticipated amounts and timing of future cash flows for expected liquidation costs, fair value of investment securities and allowed amounts of general unsecured claims. Actual results could differ from those estimates.

***Subsequent Events***

The accompanying financial statements and related disclosures include evaluation of events up through and including August 1, 2011, which is the date the financial statements were available to be issued.

**3. Net Assets in Liquidation**

***Description***

Under the GUC Trust Agreement and the Plan as described more fully in Note 1, the beneficiaries of the GUC Trust are current and future holders of Allowed General Unsecured Claims (“Trust Beneficiaries”). Certain assets of the GUC Trust are reserved for funding the expected costs of liquidation and not available to the Trust Beneficiaries. Other assets of the GUC Trust, primarily securities due from MLC, as described in Notes 1 and 5, are available to be distributed to the Trust Beneficiaries (“GUC Trust Distributable Assets”). The net assets available in liquidation presented in the accompanying financial statements corresponds to the amount of GUC Trust Distributable Assets as of June 30, 2011.

***Trust Units***

As described in Note 1, each holder of an Allowed General Unsecured Claim will retain a contingent right to receive, on a pro rata basis, additional shares of New GM Common Stock and New GM Warrants (if and to the extent such New GM Common Stock and New GM Warrants are not required for the satisfaction of previously disputed general unsecured claims) and cash, if any, remaining at the dissolution of the Trust. The GUC Trust will issue, by credit on its books and records, units representing such contingent rights (“GUC Trust Units”) at the rate of one unit

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per \$1,000 of Allowed General Unsecured Claims to each holder of an Allowed General Unsecured Claim.

The GUC Trust will make quarterly distributions in respect of the Trust Units to the extent that certain previously Disputed General Unsecured Claims asserted against the estate of MLC are either disallowed or are otherwise resolved favorably to the GUC Trust (thereby reducing the amount of GUC Trust assets distributed in respect of such asserted claims) and the resulting amount of Excess GUC Trust Distributable Assets (as defined in the Trust Agreement) as of the end of the relevant quarter exceeds thresholds set forth in the Trust Agreement.

Subsequent to June 30, 2011, the GUC Trust issued 29,770,826 of GUC Trust Units to holders of Allowed General Unsecured Claims as of the Effective Date. In addition, as of June 30, 2011, the record date for the second quarterly distribution by the GUC Trust, the GUC Trust was obligated to distribute New GM Securities and 64,393 of Trust Units in respect of the Allowed General Unsecured Claims which had been allowed during the quarter ended June 30, 2011.

The following presents the total GUC Trust Units which the GUC Trust was obligated to distribute as of June 30, 2011:

	<u>Trust</u> <u>Units</u>
Units outstanding as of April 1, 2001	-
Units issuable as of June 30, 2011 for initial distribution	29,770,826
Units issuable as of June 30, 2011 for second quarterly distribution	<u>64,393</u>
Total units outstanding or issuable at June 30, 2011	<u><u>29,835,219</u></u>

***Allowed and Disputed Claims***

The total cumulative pro rata liquidating distributions ultimately received by Trust Beneficiaries is dependent upon the current amount of Allowed General Unsecured Claims and final resolution of the outstanding Disputed General Unsecured Claims and the Term Loan Avoidance Action Claim.

The following table presents a summary of the Allowed and Disputed General Unsecured Claims and Term Loan Avoidance Action Claim for the quarter ended June 30, 2011:

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(in thousands)	Allowed General Unsecured Claims	Disputed General Unsecured Claims	Term Loan Avoidance Action Claim	Maximum Amount of Unresolved Claims	Total Claim Amount (1)
Total, April 1, 2011	\$ 29,770,812	\$ 8,153,860	\$ 1,500,000	\$ 9,653,860	\$ 39,424,672
New Allowed General Unsecured Claims	64,390	-	-	-	64,390
Disputed General Unsecured Claims resolved or disallowed	-	(1,110,468)	-	(1,110,468)	(1,110,468)
Total, June 30, 2011	<u>\$ 29,835,202</u>	<u>\$ 7,043,392</u>	<u>\$ 1,500,000</u>	<u>\$ 8,543,392</u>	<u>\$ 38,378,594</u>

(1) Total Claim Amount represents the sum of Allowed General Unsecured Claims and Maximum Amount of Unresolved Claims.

#### **4. Liquidating Distributions**

On or about April 21, 2011 and supplemented by a secondary distribution on May 26, 2011, the GUC Trust made its initial distribution to holders of Allowed General Unsecured Claims as of March 31, 2011, distributing an aggregate of 113,194,136 shares of New GM Common Stock and 205,807,620 New GM Warrants (102,903,810 of each of the New GM Series A and New GM Series B Warrants).

As of June 30, 2011, the record date for the second quarterly distribution by the GUC Trust, the GUC Trust was obligated to distribute New GM Securities both in respect of the Allowed General Unsecured Claims which had been allowed during the quarter ended June 30, 2011, as well as the first distribution to all Allowed General Unsecured Claims holders in respect of the GUC Trust Units. In aggregate for both distributions, the GUC Trust was obligated at June 30, 2011 to distribute 3,342,831 shares of New GM Stock and 3,038,936 Series A New GM Warrants and 3,038,936 Series B New GM Warrants. These securities were distributed on July 28, 2011. In addition, the GUC Trust was obligated to issue 27,216 shares of New GM Common Stock and 24,747 New GM Series A Warrants and 24,747 New GM Series B Warrants to Allowed Unsecured Claim Holders who had not satisfied certain informational requirements necessary to receive these securities. The GUC Trust has accrued for liquidating distributions payable of \$216,681,913 as of June 30, 2011 for the securities issuable pending satisfaction of informational requirements and for the securities issued on July 28, 2011.

#### **5. Securities Due from MLC**

Pursuant to the terms of the Plan, MLC holds the New GM Securities distributable to holders of Allowed General Unsecured Claims. The GUC Trust has the authority to request, and MLC is

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required to provide, an amount of New GM Securities necessary to make distributions pursuant to the Plan and the GUC Trust Agreement. On or after December 15, 2011, but by no later than December 29, 2011, all remaining undistributed New GM Securities are required under the Plan and the GUC Trust Agreement to be transferred from MLC to the GUC Trust (the “GUC Trust Transfer Date”).

At June 30, 2011, the securities due from MLC, at fair value, consisted of the following:

		<b>Value</b>
	<u>Number</u>	<u>(in thousands)</u>
New GM Common Stock	36,745,898	\$ 1,115,605
New GM Series A Warrants	33,405,316	714,874
New GM Series B Warrants	33,405,316	532,147
<b>Total</b>		<b><u>\$ 2,362,626</u></b>

The number of common stock shares and warrants due from MLC presented above include those common stock shares and warrants pending distribution as of June 30, 2011. There were distributions pending of 27,216 New GM Common Stock valued at \$826,278 and 24,747 New GM Series A Warrants and New GM Series B Warrants valued at \$529,586 and \$394,220, respectively, as of June 30, 2011 to certain Trust Beneficiaries who had not satisfied the informational requirements necessary for the securities to be distributed. If such information is not provided by the time of the GUC Trust’s termination, these securities will be available to the remaining Trust Beneficiaries. In addition, there were pending distributions to be made on July 28, 2011 of 3,342,831 New GM Common Stock valued at \$101,488,349 and 3,038,936 New GM Series A Warrants and New GM Series B Warrants valued at \$65,033,230 and \$48,410,250, respectively. A liquidating distribution payable has been recognized in the accompanying statement of net assets for all distributions pending as of June 30, 2011.

## **6. Fair Value Measurements**

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

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The following table presents information about the GUC Trust's assets measured at fair value on a recurring basis at June 30, 2011, and the valuation techniques used by the GUC Trust to determine those fair values.

*Level 1* – In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Trust has the ability to access.

*Level 2* – Fair value determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

*Level 3* – Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These level 3 fair value measurements are based primarily on management's own estimates using pricing models, discount cash flow methodologies, or similar techniques taking into account the characteristics of the asset. There were no assets or liabilities recorded that are measured with Level 3 inputs at June 30, 2011.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The GUC Trust's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The GUC Trust also holds other assets and liabilities not measured at fair value on a recurring basis, including accounts payable and other liabilities. The fair value of these liabilities is equal to the carrying amounts in the accompanying financial statements due to the short maturity of such instruments.

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The following table summarizes the fair values of those financial instruments measured at fair value at June 30, 2011:

(in thousands)	Level 1	Level 2	Level 3	Balance as of June 30, 2011
Cash equivalents:				
Money market funds	\$ 226	\$ -	\$ -	\$ 226
Investments:				
State & local government bonds	47,258	-	-	47,258
Corporate bonds	3,650	-	-	3,650
Securities due from MLC:				
New GM Common Stock	-	1,115,605	-	1,115,605
New GM Warrants	-	1,247,021	-	1,247,021
Total	\$ 51,134	\$ 2,362,626	\$ -	\$ 2,413,760

The Trust's policy is to recognize transfers between levels of the fair value of the hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during the quarter ended June 30, 2011.

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**7. Reserves for Expected Costs of Liquidation**

The following is a reconciliation of the reserves for expected costs of liquidation, including expected reporting costs, for the quarter ended June 30, 2011:

(in thousands)	Reserve for Expected Wind-Down Costs	Reserve For Expected Reporting Costs	Total Reserves for Expected Costs of Liquidation
Balance, April 1, 2011	\$ -	\$ -	\$ -
Accrual of expected costs	52,734	5,657	58,391
Liquidation costs incurred during quarter:			
Trust professionals	(8,330)	(846)	(9,176)
Trust governance costs	(525)	-	(525)
Other administrative expenses	(70)	(78)	(148)
Changes in estimated costs	-	-	-
Balance, June 30, 2011	<u>\$ 43,809</u>	<u>\$ 4,733</u>	<u>\$ 48,542</u>

**8. Related Party Transactions**

The GUC Trust has entered into a transitional services agreement (“TSA”) with MLC under which MLC will continue to provide certain services to the GUC Trust until the earlier of December 15, 2011, the date on which the GUC Trust notifies MLC that the services are no longer required, or a date mutually agreed upon by the parties. Under the TSA the GUC Trust will reimburse MLC monthly for the costs of providing such services. For the quarter ended June 30, 2011, the GUC Trust has accrued \$44,400 for amounts due to MLC for the services provided under the TSA during the quarter.